# COMPREHENSIVE ANALYSIS OF MANUFACTURERS AND TRADERS PERCEPTION ON THE IMPACT OF GST ON FOOTWEAR INDUSTRY IN AGRA

**Synopsis**

Submitted in the partial fulfilment for the requirement of

**Doctor of Philosophy**

in

**Accountancy & Law**


Submitted by

**Navneet Sagar**

Under the Supervision of

**Dr. Rakesh Kumar**

Assistant Professor

**Department of Accountancy & Law, Faculty of Commerce**
**Dayalbagh Educational Institute (Deemed to be University)**
**Dayalbagh, Agra – 282 005**


**2025**

## INTRODUCTION

### Indian Taxation System:

India has got a well-structured and simplified taxation system, wherein an authoritative segregation has been done by the Central Government, different State Governments as well as the Local Bodies. The Department of Revenue under the Government of India's Ministry of Finance is solely responsible for the computation of tax. Direct Tax is collected on income, profession, property, etc. earned by a person, and the burden cannot be shifted to another person. While Indirect tax is the tax levied on a person upon consumption of goods and services. Indirect tax is not directly levied on the income of a person. He needs to pay the tax in addition to the actual price of goods or services purchased by the seller.

Prior to the introduction of Goods and services Tax (GST), there were various indirect taxes levied and collected by the government at central and state level. At central level taxes imposed such as Central excise duty, Excise duty (medicinal and toilet preparation), Additional duties of excise on goods of special importance, textiles and textile products , Countervailing Duty (CVD), Service Tax, Special additional duties of customs (SAD), cesses and surcharges in as far as they relate to supply of Goods and Services and some indirect taxes includes as States level State VAT, Central sales tax, Purchase tax, Luxury tax, Entry tax (all forms), Entertainment tax which are not levied by the local bodies, Taxes on advertisements, Taxes on lotteries, betting, gambling.

### Overview of GST:

The One Hundred and First Amendment of the Constitution of India, officially known as The Constitution (One Hundred and First Amendment) Act, 2016, introduced a national Goods and Services Tax in India. On the eve of launching GST at mid night 30$^{th}$ June, and 1$^{st}$ July 2017, then President of India Said-

"GST is the result of a broad consensus arrived at between the Centre and the States and is a tribute to the maturity and wisdom of India's democracy."

**Mr. Pranab Mukherjee**

### Concept of GST:

Goods and Services Tax (GST) is a comprehensive, multistage, destination-based tax which is very

significant in the field of indirect tax reforms in India. It is levied on value added at each stage of sales and purchases in the supply chain throughout the country. GST will mitigate the cascading effect and reduction the overall tax burden on goods and services. With the introduction of GST, the one country one tax system has been introduced in India. Under GST, both central and state governments share the authority to levy and collect taxes on goods & services. There are four types of components of GST in India, namely Integrated Goods & Services Tax (IGST), State Goods & Services Tax (SGST), Central Goods & Services Tax (CGST), and Union Territory Goods & Services Tax (UTGST).

**Need for GST:**

The reforms under Indirect Tax Laws in India have been quite satisfactory with introduction of Central Value Added Tax (CEN-VAT) at the Central and State Value Added Tax (State-VAT) at the State level. However, there was lack of integration between CEN-VAT and VAT in addition to multiple other taxes such as Luxury Tax, Entertainment Tax, Amusement Tax, Tax on Lottery, Betting & Gambling, Purchase Tax, Entry Tax and Cesses etc. which were disjointed under pre-GST regime. GST has subsumed seventeen taxes, (i.e., eight central Taxes and nine state taxes) and 25 Cesses and surcharges abolished under GST. The old India was economically fragmented and new India has created one tax, one market for one nation.

**Indian Footwear Industry:**

India is the second largest producer of footwear globally, accounting for 13 per cent of the global footwear production, next to China, which dominates the global footwear industry accounting for close to 67 per cent of the market. Comparing footwear production in key developing markets – China produces 14,200 million units, followed by India producing 2,209 million units. Brazil produces 900 million units while Vietnam produces 770 million units annually. Out of the 2.2 billion pairs of footwear produced annually, about 180 million pairs are exported, while the rest (95% of the produce) meets the domestic demand. The average per capita footwear consumption in India continues to be low at 1.66 pair per annum in comparison to the global average consumption of 3 pair per annum and developed countries average of 6-7 pair per annum. By products, the Indian footwear market is dominated by casual footwear market that makes up for nearly two-third of the total footwear retail market. Most of the Indian footwear market is men’s footwear that accounts for nearly 58 per cent of

the total Indian footwear retail market. Non-leather footwear accounts for 1.23 billion pairs, or 56 per cent of the footwear market in India.

India has an installed capacity of 2.8 billion pairs, second only to China. The bulk of production is in men's leather shoes and leather uppers for both men and ladies. India has over 100 fully mechanized, modern shoe making plants. Footwear is a labour-intensive industry, providing jobs around 1.1 million people, and is a source of employment to people from the weaker sections of the society and the minorities, especially in the leather segment. The footwear industry along with other few industries such as textile and apparel industry together are the largest employers in India, after the agricultural sector. **(Source:** https://cfla.co.in/)

**Current Scenario of footwear Industries in Agra District – An overview:**

Agra is one of the biggest clusters in the footwear sector in India among Kolkata, Kanpur and Chennai. There are around 10,000 micro-size units; 150 small-scale industry units; around 30 medium-scale units; and around 15 large-scale units in the city". More than 100 leading footwear manufacturer-exporters (Rs. 3000 crores of exports from the city of Agra) and aim is to take the export turnover to Rs. 10000 crores in near future.

Agra has about 250 mechanized/semi mechanized units & 5000 cottage industries accounting for manufacturing capacity of 3,00,000 to 5,00,000 pairs per day. It provides about 4,00,000 jobs in the cluster. Today Agra meets 65% of domestic requirement & has 28% share in the total footwear exports from the country. **(Source:** https://www.afmec.org/)

**REVIEW OF LITERATURE**

The review of literature is integral to the success of academic research. The following past studies have been taken into consideration to find out the research gap and justify the need for the proposed study. Further, the review of literature has been categorized into two parts i.e., international reviews and national reviews of literature.

**Table 1 International Literature Reviewed**

| S. No. | Year | Authors | Title | Objectives | Findings |
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| 1. | 2024 | Kamaradin, S.N., Ahmad, N., & Loganathan, N. | The Influence of Taxation on Consumer Burden in Malaysia: A | The study aims to investigate the short-term and long-term relationship | The study found that there is no long-term relationship between taxation and consumer burden. However, |

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| | | | Revisit on GST | between taxation (direct and indirect taxes) and consumer burden (measured by the Consumer Price Index). | direct taxation is found to have a significant positive long-term relationship with consumer burden, while indirect taxation (including GST) has no effect. |
| 2. | 2024 | Sharma, Y., & Arora, B. | GST A Robust Tax Regime: A Bibliometric Analysis on GST | To study the global prospective on GST.<br>To study the foremost nation engaged in GST research.<br>To study the India's standing in the realm of research within the field of GST. | The study found that the evolution of the Goods and Services Tax (GST) has resulted in the introduction of a new tax regime in several nations. Furthermore, the outcome of the social collaboration analysis demonstrates that many nations, including India, the United Kingdom, Canada, and Australia, are collaborating to conduct more fruitful research. |
| 3. | 2024 | Garg, S., Narwal, K. P., & Kumar, S. | Investigating the compliance behavior of GST taxpayers: An extension to the theory of planned behavior | To study the endeavors to frame and validate a comprehensive instrumental scale with the application of the extended Theory of Planned Behavior (TPB) for analyzing the determinants of compliance behavior of GST taxpayers in India. | The results found that instituted perceived complexity, trust, and moral obligation in addition to three major constructs of TPB theory namely attitude behavior, subjective norms, and perceived behavioral control of the GST taxpayers and explicates that there is a need to simplify and rationalize the GST system in India to increase voluntary compliance of taxpayers. |
| 4. | 2024 | Patel, B.A., & Solanki, A. | An Empirical Study on Impact of Goods and Services Tax (GST) on Customers' Perception in Rajkot District. | Evaluate the level of awareness about GST among the Customers in Rajkot District.<br>Identify their perceptions about price, expenditure, and consumption in | The results found that over 95% of customers have a basic understanding of GST. Around 51% of customers gained awareness about GST through news/media sources. Regarding the impact of GST, 42% of customers believe it |

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| | | | | GST regime. | has led to increased prices for most commodities, while 46% perceive price rises for selected goods. 45% of customers agree that service prices have increased after GST. 51% of customers believe GST has led to increased expenditures, while 50% observe no change in consumption patterns. |
| 5. | 2024 | Parihar, A.S., & Gujar, C.P. | Assessing Awareness and Evaluating the Impact of Goods and Services Tax (GST) Among Small Business Owners – "A Case Study of Satna City, Madhya Pradesh." | To assess the impact of GST on business owners residing in the city of Satna.<br>To Determines knowledge of GST among business owners residing in Satna city. | The study found that small business owners in Satna city were aware of the GST and its implementation, but they faced challenges in understanding the complex legislation and procedures. The need for CA's assistance and the desire for more clarity in the GST rules suggests that the implementation process could be further simplified to better cater to the needs of small-scale entrepreneurs. |
| 6. | 2024 | Shekhar, C., & Bansal, S. | Impact Of Tax Morale Issues on Tax Compliance of GST Assesses in Haryana; A Behavioral Analysis. | Examining the impact of tax morale issues on tax compliance of GST assesses under GST system. | The findings revealed among the five factors, only trust had a significant positive impact on the tax compliance behavior of GST assesses suggesting that trust in the GST system is a crucial factor influencing the compliance behavior of GST assesses. |
| 7. | 2024 | Malini, R., Ebanisha, J., & Veni, K.S. | Pre and post impact of GST on medicines: Retailers' perspective. | To analyze the positive attitude of retailers towards the pre and post impact of GST on medicines. | The study revealed a mix of positive and negative impacts of GST on medicine retailers. While retailers benefited from reduced technology |

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| | | | | To analyze the negative attitude of retailers towards pre and post impact of GST on medicines. | costs, unified tax system, and lower tax rates for life-saving drugs, they also faced challenges like high tax rates for Ayurvedic products and increased investment in billing systems. |
| 8. | 2024 | Chakraborty, M. | A study on the perceptions of the MSME owners of selective districts of West Bengal on goods and service tax. | To study the perception of MSME entrepreneurs towards GST.<br>To analyze the satisfaction level of Micro, Small, and Medium Scale Entrepreneurs towards Goods and Services Tax | The study found that most MSME owners (83%) are satisfied with the implementation of GST. They perceive positive changes in factors like capital, cost of production, supply, demand, sales, and production after GST implementation. However, they also face issues related to compliance and technical glitches. The study also found significant relationships between satisfaction level and changes in flexibility, transparency in the GST network, and demographic factors like industry size and annual turnover. |
| 9. | 2024 | Rani, J.H.E., & Kalpana, G. | Goods & services Tax: A study on small business Entities Taxpayers in Chennai. | To provide an understanding of the goods and services tax for small business owners in the city of Chennai.<br>To analyze the influence of GST on small business entity entrepreneurs. | The study found that small business owners faced challenges in adapting to the new GST system, particularly in areas like mandatory registration, online compliance, and technology infrastructure.<br>However, factors like education did not significantly affect their experience with GST. |
| 10. | 2024 | Saha, S.K. | A Comprehensive Analysis of GST and its Impact on | To study about the concept of GST.<br>To study the | The study found that a comprehensive overview of the positive and negative |

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| | | | Indian Economy. | positive and negative impact of GST on Indian economy. | impacts of GST on the Indian economy, shedding light on various aspects of the tax reform's effects on different stakeholders and economic indicators. |
| 11. | 2024 | Dandona, Iti., Tomar, P.K., Gupta, S.K., & Verma, S.K. | GST dynamics in India: Exploring state revenue trends, GDP impact, and economic resilience. | To explore and identify the states that significantly contribute to GST collections and assess the variations in their contributions.<br>To analyze the significant differences in the average growth of government revenue before and after GST<br>To investigate the impact of the GST on the country's GDP. | The findings suggested that the GST implementation has a positive impact on government revenue growth and the overall economy. However, the fluctuations in GST collections and the variations across states highlight the need for nuanced and region-specific policy responses to ensure fiscal sustainability and economic stability. |
| 12. | 2024 | Narendran, L., Prabha. L., Monica, S., Sahu, J., & Kaleeswari, K. | Analytical Study of Income Tax Assessment GST Collection in India with Reference to Pre and Post Covid. | To determine the income taxpayer's performance and to check compliance of the taxpayer increasing year on year.<br>To know the level of fluctuation on the GST collection of two cumulative years.<br>To state the covid 19 impact on the shortfall of GST collection. | This study found that individual taxpayer assessee is the salaried class who frame the chunk of person who paid tax. This study concludes that the taxpayer is the one ruling the economy and the economic developments, when it comes to the after of COVID it is evident that there is a shortfall of funds both in GST collection and ITR filling. |
| 13. | 2023 | Teik, O.C., Rahim, H.A., & Rajandran, K. | Polarised Discourse of Complaint Management: Ideological Construction of the GST in Malaysian Online News | The study aims to understand the discourse of complaint management, how it is linguistically constructed, and how it promotes | The study found that the frequent use of positive words and categorization of in-groups (government, authorities, consumers) and out-groups (errant traders, social media users), revealed an |

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| | | | Articles | the government's ideology. | underlying ideology of positive self-representation of the government. This served to promote a favorable image of the government's handling of GST complaints and deflect attention from the negative public response to the GST. |
| 14. | 2023 | Sharma, M. K., & Saini, S. | Awareness and Impact of GST among Small Business Owners: A Study with Special Reference to Mysuru City, Karnataka | To identify the awareness of GST among the business owners residing in Mysuru city. To assess the impact of GST among the business owners residing in Mysuru city. | The results obtained after analysis revealed that businessman are aware about GST implementation and opined that it's a fair tax system but it requires more clarity, simplification in procedure because they have to depend on CA's during the online submission. |
| 15. | 2023 | Gupta, H., Choithrani, S., & Puntambekar, GL. | Impact of GST on fair tax practices in India: A case study of Allahabad city of Uttar Pradesh in India | To analyze the outcome of GST reform in Allahabad City of Uttar Pradesh. To examine the fair tax practices taxpayers adopted after the implementation of GST in Allahabad City. | The study findings suggested that the GST reform has led to a significant increase in the number of taxpayers and indirect tax revenue in Allahabad City. This indicates that the GST system has been successful in expanding the tax base and improving tax compliance. |
| 16. | 2023 | Sudha, V., & Kangumapriya, A. | Impact of GST on Small Scale Sector: A Study with Special Reference to Footwear Industries. | To study the socio- economic background of the Entrepreneurs in footwear industries. To study the challenges faced by footwear Industries in Calicut district after GST. To study the awareness of entrepreneurs towards the importance of | The results suggested that younger and more educated entrepreneurs are more satisfied with the implementation of GST, while less educated entrepreneurs find the burden of GST more challenging. This could be due to their better understanding and adaptability to the new tax system. |

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| | | | | GST for the growth of economy. | |
| 17. | 2023 | Das, S.K. | Impact of GST on Hotel Industry and customers Perceptions. | To examine customers' perception towards the Goods and Services Tax (GST) on Restaurants. To determine how the recently introduced taxation structure will benefit and impact the Restaurant industry and customers. | The findings suggested that customers are dissatisfied with the GST rates on restaurants. They feel the tax burden has increased, and the GST system is complex. The study also highlights the benefits of GST for restaurants, such as a simplified tax system and decreased tax rate slabs. |
| 18. | 2022 | Calixto, C., Javier, N., Vladimir, D. P. M., & Alfonso, C. G. J. | Description Of The Acceptance For Each Of The Taxation Structures For Individuals Engaged In Footwear Activities | To investigate students' perceptions and problems in implementing Higher Order Thinking Skills (HOTS) in speaking classes. To identify the importance of HOTS in improving students' critical thinking and speaking abilities. | The study found that students generally have positive perceptions towards HOTS, but struggle to fully implement the higher levels. The problems identified, such as poor argumentation and lack of linguistic knowledge, align with the challenges of applying critical thinking skills in speaking. |
| 19. | 2019 | Wicaksono, P., Hardini, N., & Bakhtiar, T. | Economic and social development in global production networks: Lessons from the Indonesian Footwear Industry | The study the economic and social conditions in the Indonesian footwear industry using a parsimonious approach. To investigates whether the industry has experienced economic and social upgrading or downgrading over the 2000-2014 period. | The study found that the economic upgrading is attributed to factors like technological innovation, knowledge transfer, and developing competitive advantage. The social upgrading is linked to increases in minimum wages, formalization of female workers, and adherence to decent work hours. However, the decline in employment and share of formal workers |

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| | | | | | suggests some challenges in the industry. |
| 20. | 2019 | Geeta, S.D.T., Mathiraj, SP., & Bharathi, M.T. | Impact of GST on MSMEs | To analyze the impact of Goods and Services Tax (GST) on Micro, Small and Medium Entrepreneurs (MSMEs) in Sivagangai District, Tamil Nadu. | The study concluded that while there are some differences in perceptions based on age, other demographic factors like income and gender do not significantly influence the impact of GST on MSMEs. The findings suggest a need for improvements in the GST implementation process to better support MSME entrepreneurs. |
| 21. | 2019 | Deswal, S. | GST: A revolutionary step towards tax reforms in India. | To study the concept of Goods and Services Tax (GST) in India. To find out the benefits of GST after its implementation. | The implementation of GST has been a significant reform unifying the tax structure, reduced burden of various existing indirect taxes, and improved tax collection. However, the study also found that there are some challenges in the successful implementation of GST. |
| 22. | 2019 | Siddique, Md. Ariz. | A Review Paper on an Impact of Goods and Service Tax (GST) on Indian Economy | The paper aims to analyze the potential drawbacks and challenges of implementing the GST system in India, and to understand why the proposed GST system may hinder the growth and development of the country. | The paper suggested that the Indian government should carefully consider the experiences of other countries that have implemented the GST system and its consequences before implementing it in India. The government should also ensure that the large poor population of India is protected from the potential inflationary impact of the GST. |
| 23. | 2019 | Kumar, P. Y. D. M., & Yadav, P. | Impact of GST on various sector of Indian economy | To study the concept of Goods and Service Tax in India. | The paper suggested that Goods and service tax will not increase tax burden extremely, |

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| | | | | To analyze the impact of Goods and Service Taxon different sector of India. | and in mostly cases total burden of tax will decline due to replenishment of gamut tax system with one tax system. So we can conclude that the overall effect of goods and service tax (GST) will be positive on economy which helps in increasing the overall economic growth. |
| 24. | 2017 | Adam, M. N. H., & Yusof, N. A. M. | A Comparative Study on the Burden of Tax Compliance Costs amongst GST Registered Companies in Malaysia and Abroad | The study aims to examine the GST tax compliance costs incurred by registered GST companies in Malaysia and other countries, and to understand the steps taken by authorities to reduce the burden of TCC on these companies. | The findings show that TCC is a significant burden for businesses, especially small and medium-sized enterprises (SMEs). Studies in different countries have found that TCC can range from 2-14% of total tax revenue. TCC has a regressive effect, meaning that smaller companies bear a higher proportion of TCC compared to larger companies. |
| 25. | 2016 | Muhammad, I. | Post Implementation of Goods and Services Tax (GST) in Malaysia: Tax Agents' Perceptions on Clients' Compliance Behaviour and Tax Agents' Roles in Promoting Compliance | To explore tax agents perceptions on their clients' compliance behavior, and To explore tax agents' roles in promoting compliance to their clients. | The findings show that in the first year of GST implementation, businesses struggled to understand the new tax system and relied heavily on tax agents to fulfill their GST obligations. Tax agents played a significant role in providing advice, recording and reporting GST transactions, and managing compliance risks for their clients. |
| 26. | 2014 | Ball, C., Creedy, J., & Ryan, M. | Food Expenditure and GST in New Zealand | To investigate the poor targeting of a policy of zero-rating food in the GST and compare it to using the same tax revenue to | The study found that indirect tax exemptions and zero-rating provide a poor redistributive instrument compared to the use of direct taxes and transfers. The universal transfer |

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| | | | | fund a universal transfer payment. To investigate the detailed welfare effects on New Zealand households of zero-rating food in the GST. | payment is more effective at achieving progressivity than zero-rating food. |
| 27. | 2014 | Venkadasalam, S. | Implementation of Goods and Service Tax (GST): An Analysis on ASEAN States using Least Squares Dummy Variable Model (LSDVM). | To investigate the relationship between a country's economic growth (measured by Gross Domestic Product) and factors such as household final consumption expenditure, government final consumption expenditure, and the implementation of GST in each country. | The study found that the extent of the impact of GST implementation on economic growth depends on factors such as the design, governance, and compliance cost of the GST system. A well-designed, transparent, and simple GST system that enhances voluntary compliance is more likely to have a positive impact on the economy. |
| 28. | 2009 | Bird, R. M., & Gendron, P. P. | Sales tax in Canada: The GST -HST-QST-RST "System". | To analyze the Canadian experience with the federal GST and different provincial sales taxes, and to draw lessons that could be applicable to the United States if it were to adopt a federal value added tax (VAT). | The study found that the Canadian experience demonstrates that a federal VAT can co-exist with different forms of provincial sales taxes, including independent provincial VATs, provincial VATs harmonized with the federal tax, and traditional retail sales taxes. This suggests that the United States could adopt a federal VAT without requiring uniformity in state sales tax systems. |
| 29. | 2008 | Dickson, I., & White, D. | Tax design insights from the New Zealand Goods and services tax | To Examine whether the alleged administration and compliance | The study found that administration and compliance benefits of a comprehensive single-rate VAT |

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| | | | (GST) model. | benefits of a comprehensive single-rate VAT are borne out by the New Zealand GST experience.<br>To Investigate the distributional impacts of a comprehensive single-rate GST on the poor and lowest paid in New Zealand.<br>To Identify lessons from how New Zealand GST applies to services and organizations that are often considered too hard to tax in Europe. | appear to be borne out by the New Zealand GST experience, though compliance costs are regressive for smaller businesses.<br>The distributional impacts of taxing necessities like food were addressed through compensatory income supplementation in New Zealand, which appears to be a workable alternative to preferring exemptions.<br>New Zealand has successfully taxed various hard-to-tax services and organizations, such as financial services, real property, and government services, though some challenges remain. |

**Table 2 National Literature Reviewed**

| S. No. | Year | Authors | Title | Objectives | Findings |
|---|---|---|---|---|---|
| 1. | 2024 | Devgan, D., & Mahendru, M. | Awareness of Taxpayers and Perception towards Implementation of Goods and Services Tax (GST): An Analytical Study. | The Primary objective of the study is to analysis the taxpayer's level of awareness and perceptions towards implementation of GST, its rates of tax, return filing and impact on business. | The findings suggested that while the majority of taxpayers are satisfied with the implementation of GST, they are not satisfied with the tax rates and the complexity of filing. The negative impact of GST on businesses, especially for traders and service provider. |
| 2. | 2024 | Gupta, K. | Consumer's Perception on Impact of GST on Automobile Sector with Special Reference to Cars. | To study the perception of consumers on the impact of GST on Automobile sector in India. | The study suggested that GST has been overall positive for the automobile sector primarily because of the efficiency and the removal of |

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| | | | | | cascading effects. |
| 3. | 2024 | Sharma, S. | Impact of Goods and services tax (GST) on Indian Economy. | To Understand the concept of Goods and services tax (GST)<br>To know the Impact and advantages of GST on Indian Economy. | The findings suggested that GST addressed the cascading effects, interstate tax and high logistic tax and improves the ranking of ease of doing business and estimated to increase the GDP growth. |
| 4. | 2023 | Awasthi, R., Akhtar, M., & Khan, F.S. | The Impact of Goods and Services Tax on Sustainability in the Indian Handicraft Sector: A Mini Review | The study aims to examine how GST has influenced the sustainability, pricing, production, and marketing strategies within the handicraft sector, as well as evaluate the government's strategies and policies to support the industry and promote sustainable practices. | The implementation of GST has had a multifaceted impact on the handicraft sector. It has expanded the artisan market, reduced compliance burdens, and increased market access for artisans, potentially increasing their earnings. Socially, GST has led to the formalization of many previously informal businesses, improving access to financial services and social security. |
| 5. | 2022 | Arya, M. | GST: Impact and implications on various Industries | To study about the concepts of GST.<br>To study about the need and the Importance of the Goods and Service Tax to the Indian economy.<br>To study about the impact of GST on Various sectors in Indian economy.<br>To provide suggestions and recommendations regarding GST. | The findings suggested that GST is very crucial tax reform since independence of India, so it must be better handled with utmost care and analysed well before implementing it. And the government both central and state have to conduct awareness programmes and various literacy programmes about GST to its various |

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| | | | | | stakeholders. |
| 6. | 2020 | Mukherjee, S. | Performance Assessment of Indian GST: State-level Analysis of Compliance Gap and Revenue Growth | To study the performance assessment of states in compliance and GST collection. To assess overall revenue performance of GST. To find out the estimation of compliance gap in GST. To find out State-level performance assessment in GST revenue mobilization. | The declining compliance in filing GST returns and the growing compliance gap suggest challenges in the effective implementation of the GST system. The revenue shortfall for states and their reliance on GST compensation indicate the need to address the structural and design issues of the GST to ensure a stable and sustainable tax regime. |
| 7. | 2019 | Mukherjee, S., & Rao, R.K. | Fiscal Implications of Introduction of Goods and Services Tax in India. | To analysing the revenue implications of GST. To find out the difficulties in constructing a consistent and comprehensive dataset on GST accruing to Union government and the different state governments | The analysis found that the expected revenue from GST compensation cess would be sufficient to meet the revenue requirement to provide compensation to states during the study period. However, the estimated compensation requirement does not include a few states due to data limitations. |
| 8. | 2018 | Deb, R. | Tax Reform & GST: A Systematic Literature Review | The aim of the study is to identify the studies regarding GST in last two decades and analyse the scope and trends in research on tax reforms and GST globally. | These findings provided a detailed overview of the research conducted on tax reforms and GST, highlighting key areas of focus and suggesting directions for future studies. |
| 9. | 2017 | Mujalde, S., & Vani, A. | Goods and Service Tax (GST) and its outcome in India | To study the features of GST. To study the impact of GST on Indian economy. | In India, Implementation of GST would also greatly help in |

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| | | | | To study the advantages and challenges of GST | removing economic distortions caused by present complex tax structure and will help in development of a common national market. |
| 10. | 2017 | Basak, N. | Impacts of Progressive Tax Reform in India: Goods And Services Tax (GST) - An Approach | To Analyse the concept and probable impacts of GST as a progressive tax regime in India. To Suggest measures to minimize the loopholes after the implementation of GST. | The implementation of GST in India is seen as a significant tax reform by eliminating the cascading effect of taxes. The study suggests that GST has the potential to boost exports, increase employment opportunities. |

**RESEARCH GAP**

While reviewing previous research, the researcher found several studies that explored the theoretical aspects of indirect taxation i.e., Pre-GST era, new GST laws, inter-comparison of various countries' GST laws, etc. Apart from this, research has been already conducted on product & industry-specific GST & Pre-GST impact but still, the footwear industry was left unexplored. As we know the footwear industry plays a dominant role in the Indian economy and India is the second largest global producer after China. Agra stands as one of the largest footwear hubs in India, but there remains a notable gap in previous studies precisely addressing the footwear industry concerning GST, particularly with a concentration on Agra District. Therefore, the researcher has been taken this as a base for the present study.

**NEED OF THE STUDY**

- This study will help to identify various difficulties and challenges faced by the footwear manufacturers & traders under the GST framework and propose solutions to ease these challenges.
- This study will identify areas for potential reforms or support measures to enhance footwear industry growth and competitiveness.
- This study will also be helpful to the academicians for future research on footwear industry with special reference to the impact of GST on various districts.

- This study will provide clear information about the various GST compliances and laws, and guidelines related to footwear industry.
- This study will give some ideas to the government as well as to the policymakers about the effectiveness of GST in the footwear Industry.

**OBJECTIVES OF THE STUDY**

- To study the perception of Manufacturers & Traders on the problems and challenges of GST faced by Footwear Industry in Agra.
- To assess the perception of Manufacturers & Traders on the benefits gained by Footwear Industry in Agra after the implementation of GST.
- To analyse the perception of Manufacturers & Traders on the impact of GST on the Footwear Industry in Agra.
- To examine the perception of Manufacturers & Traders on the extent of expectations met after the implementation of GST.

**HYPOTHESES OF THE STUDY**

**$H_{01}$:** There is no significant difference in the perception of Manufacturers & Traders regarding the problems and challenges of GST faced by the Footwear Industry in Agra.

**$H_{02}$:** There is no significant difference in the perception of Manufacturers & Traders regarding benefits gained by Footwear Industry in Agra after the implementation of GST.

**$H_{03}$:** There is no significant difference in the perception of Manufacturers & Traders on the impact of GST on the Footwear Industry in Agra.

**$H_{04}$:** There is no significant difference in the perception of Manufacturers & Traders on the extent of expectations met after the implementation of GST.

**RESEARCH METHODOLOGY**

**RESEARCH DESIGN:**

The research design for the study will be descriptive as well as analytical in nature.

**SAMPLE SIZE & SELECTION CRITERIA:**

**Primary Data:** The population for this study includes all registered footwear manufacturers and

traders of footwear industry Agra. Cochran's formula has been applied as the formula suggests at least 371 respondents will be taken as Sample.

$$n_0 = \frac{z^2 pq}{e^2}$$

$$n_0 = \frac{(1 \cdot 96)^2 (0.5)(0.5)}{(0.05)^2}$$

$$n_0 = 385$$

$$n = \frac{n_0}{1 + \frac{n_0 - 1}{N}}$$

$$n = \frac{385}{1 + \frac{(385 - 1)}{10{,}195}}$$

$$n = 371.26$$

$$n = 371 \text{ (Round off)}$$

Hence,

$n_0$= Representative Sample for Proportions (Sample Size)

z = Z value at 95% Confidence level is 1.96.

p = Population proportion assumed as 50%

q = 1-p

e = Margin of error (0.05)

**Source:** (Israel, G.D. (2009))

**Selection Criteria:**

- Manufacturing & Trading firms must be registered with any indirect tax laws before GST.
- These firms must be registered in the GST.

**DATA COLLECTION:** The data will be collected from Primary data as well as Secondary data.

- **Primary Data:** The study will be primarily based on primary data. For the collection of primary data, the researcher will frame a structured questionnaire to collect relevant information from willing manufacturers and traders.
- **Secondary Data:** Secondary data will be collected from sources like studies published in national

and international journals, websites, articles, thesis and other relevant sources.

**TOOLS & TECHNIQUES:**

- **Statistical Tool:** For the analysis of data, the researcher will be used statistical tools such as Percentage analysis, Average, Weighted average, Mann-Whitney U test, Factor analysis, Chi-Square, and other tools as per the need of the data using software such as MS Office and IBM SPSS etc.
- **Presentation Tool:** For the presentation of data, various tools will be used such as graphs, bar diagrams, and charts, etc.

**Table 3 Objectives-Wise Research Methodology**

| S. No. | Objectives | Research Methodology |
|---|---|---|
| 1. | To study the perception of Manufacturers & Traders on the problems and challenges of GST faced by Footwear Industry in Agra. | This objective will be attained through a questionnaire which will be used to identify various difficulties faced by manufacturers & traders, the hypothesis will be tested through the Chi-square test, Mann-Whitney U test and Factor analysis, etc. |
| 2. | To assess the perception of Manufacturers & Traders on the benefits gained by Footwear Industry in Agra after the implementation of GST. | To achieve this objective, the questionnaire will be circulated, and the hypothesis will be tested through the chi-square test, Mann-Whitney U test, Factor analysis, etc. |
| 3. | To analyse the perception of Manufacturers & Traders on the impact of GST on the Footwear Industry in Agra. | To achieve this, primary data will be collected through a questionnaire and impact will be analyzed on Cost, sales price & profit etc., and a hypothesis will be assessed through a Factor analysis, Chi-square test and Mann-Whitney U test etc. |
| 4. | To examine the perception of Manufacturers & Traders on the extent of expectations met after the implementation of GST. | To achieve this objective, a questionnaire-based survey will be administered within the industry and the data will be analyzed and the hypothesis will be assessed by Chi-square test, Mann-Whitney U test, Factor analysis, etc. |

**Table 4 Proposed Chapter Plan**

| | |
|---|---|
| Chapter 1 | Introduction |
| Chapter 2 | Review of literature |
| Chapter 3 | Analysis of the Manufacturers and Traders Perception on the Problems and Challenges of GST faced by the Footwear Industry in Agra |
| Chapter 4 | Analysis of the Manufacturers and Traders Perception on the Benefits gained by Footwear Industry in Agra after the implementation of GST |
| Chapter 5 | Analysis of the Manufacturers and Traders Perception on the impact of GST on the Footwear Industry in Agra |
| Chapter 6 | Analysis of the Manufacturers and Traders Perception on the expectations met after the implementation of GST by the Footwear Industry in Agra |
| | Findings, Conclusions, and Suggestions |
| | References & Bibliography |

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